



PRELIMINARY PLANNING FOR COMPETITIVE SOURCING

10-11 January 2006

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Defense Acquisition University



2006 Installation Management Institute



COURSE INTRODUCTION





Defense Acquisition University Mission

Provide **practitioner training** and **career management** to enable the Acquisition, Technology, and Logistics community to make smart business decisions and deliver timely and affordable capabilities to the warfighter

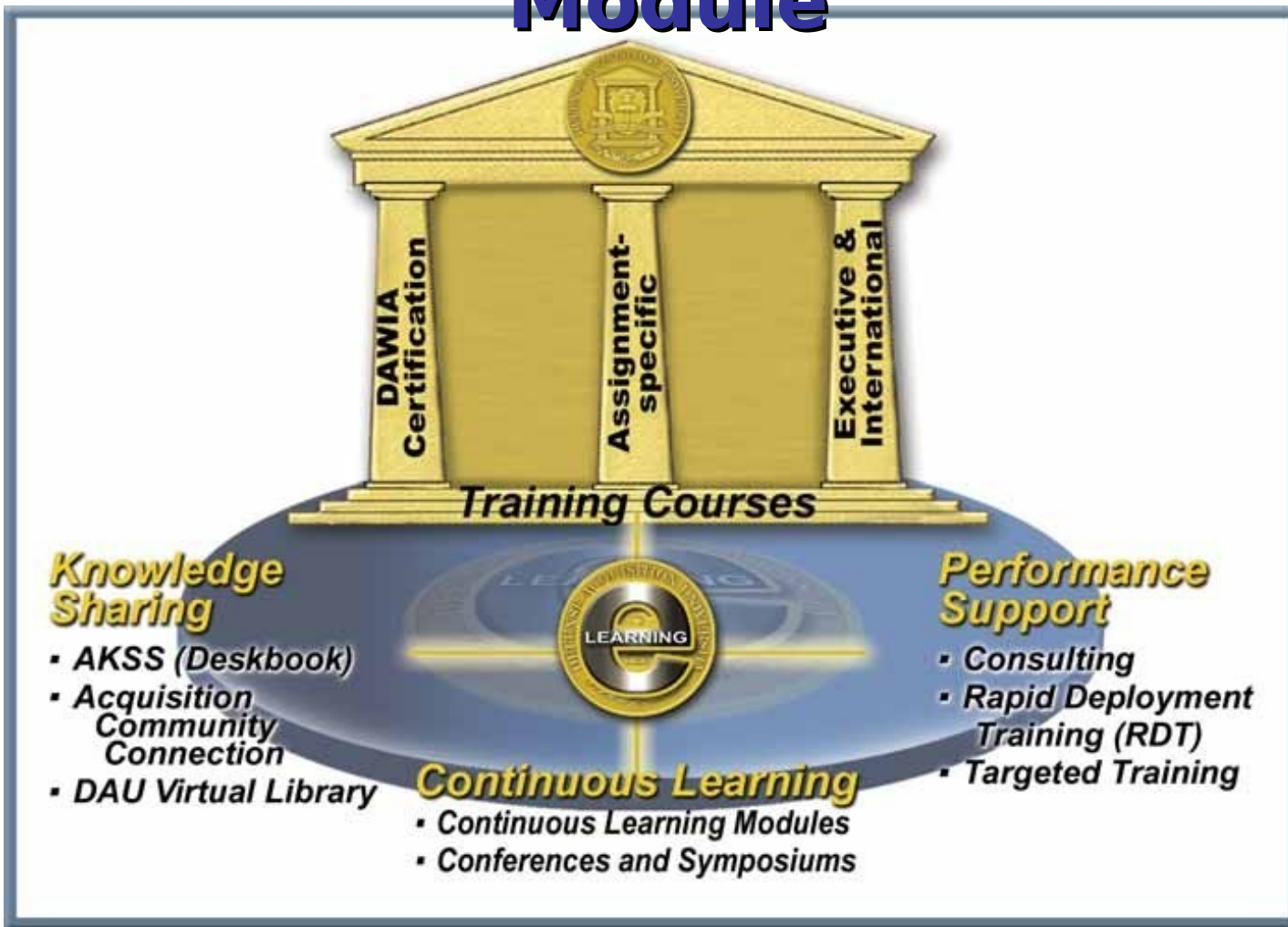
Vision

“A premier corporate university enabling a motivated, agile DoD Acquisition, Technology, and Logistics workforce”





Performance Learning Module

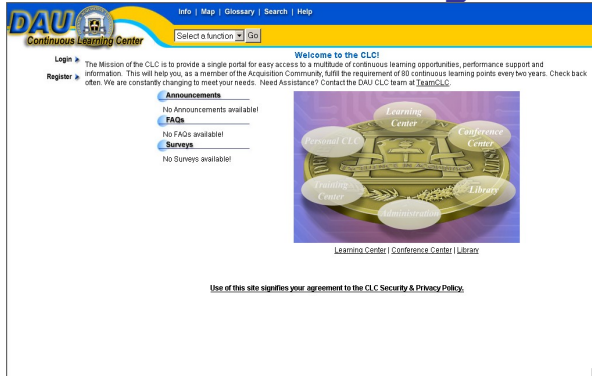




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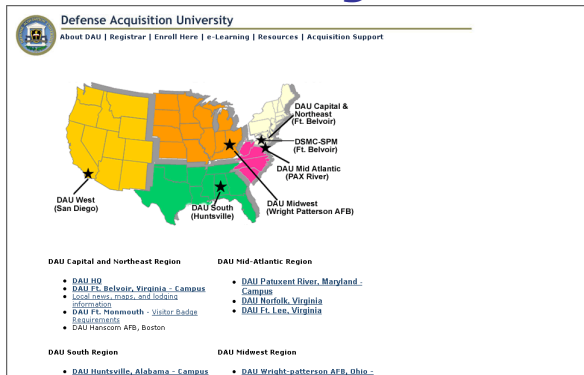


Continuous Learning Center Communities of Practice Performance Support

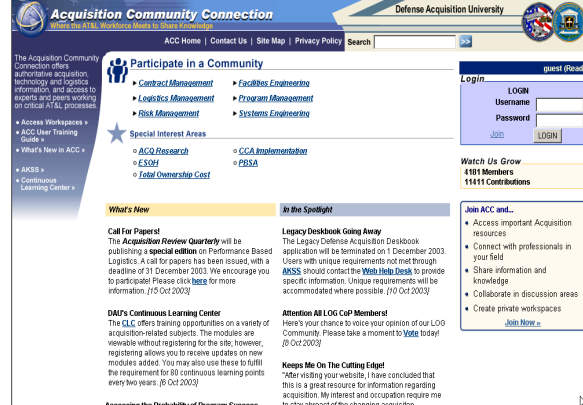


<http://clc.dau.mil>

DAU Regions

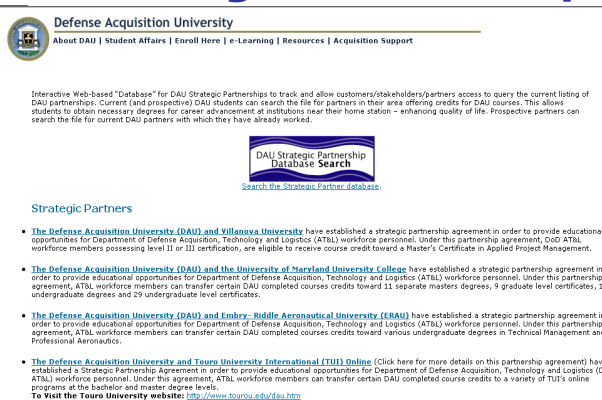


<http://www.dau.mil/about-dau/regions.asp>

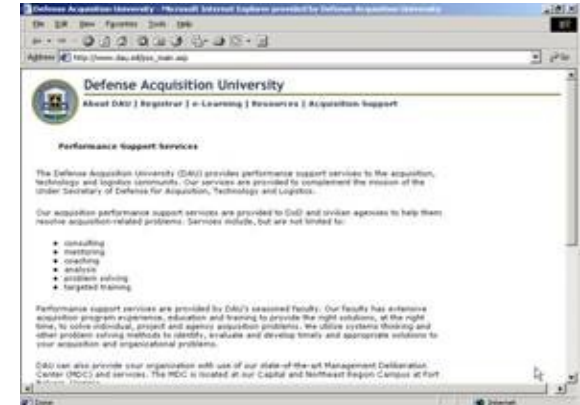


<http://acc.dau.mil>

Strategic Partnerships



<http://www.dau.mil/about-dau/partners.asp>



http://www.dau.mil/pss_main.asp

Equivalencies



<http://www.dau.mil/equivalency>



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A-76 Course Development and Execution



Course Length NTE # Days	Course Description	FY04												FY05												FY06											
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
5	Preliminary Planning	COURSE DEV. & PILOT					COURSE OFFERINGS					COURSE OFFERINGS					COURSE OFFERINGS				COURSE OFFERINGS					COURSE OFFERINGS											
CLM	Overview						COURSE DEV. & PILOT		RESIDENT OFFERINGS		CONVERT TO CL MODULE		CONTINUOUS LEARNING →						CONTINUOUS LEARNING →																		
5	Acquisition Actions																COURSE DEV & PILOT		COURSE OFFER		COURSE OFFERINGS																
5	Agency Tender Development																COURSE DEV & PILOT		COURSE OFFERINGS		COURSE OFFERINGS																
3	Post Competition Accountability																		COURSE DEV & PILOT		COURSE OFFERINGS																
4	Costing Course																									COURSE DEV & PILOT				COURSE OFFERINGS							
4	COMPARE Program	AVAILABLE THROUGH CONTRACTOR												AVAILABLE THROUGH CONTRACTOR												AVAILABLE THROUGH CONTRACTOR											



Introduction to Preliminary Planning



Introduction to Preliminary Planning

“Preliminary Planning is the process of determining if competitive sourcing is the optimal methodology for sourcing an organization’s commercial activities. The steps accomplished during Preliminary Planning, result in market information and facts that lead to a defined business unit for competition.”

“Agencies must properly plan for the announcement and commencement of public-private competitions”



Introduction to Preliminary Planning

- **Why do preliminary planning?**
 - Meet new timelines
 - Resolve issues and problems that normally arise during competition phase
 - Makes sense
 - It's required

OMBC A-76:

“Before the public announcement (start date) of a streamlined or standard competition, an agency shall complete, at a minimum, the following [preliminary planning] steps:”



Introduction to Preliminary Planning



- **By the way, it has been around:**

- Army:** “Early Preparation. Although CA studies cannot begin until after Congressional Notification has been made, planning for the study should begin as soon as possible due to the extensive work efforts required and the relatively short timelines involved.”
- Navy:** “Success of an A-76 process is dependent on 3 factors...preparation, preparation and preparation!”
- DLA:** “Before the announcement, *the requiring activity(ies)* will consider the scope of the study . . . Consideration of these factors is known as the “business unit definition,” or, “packaging of the study.” Study success and meeting the intent of Circular A-76 often are heavily affected by these considerations.”



Introduction to Preliminary Planning

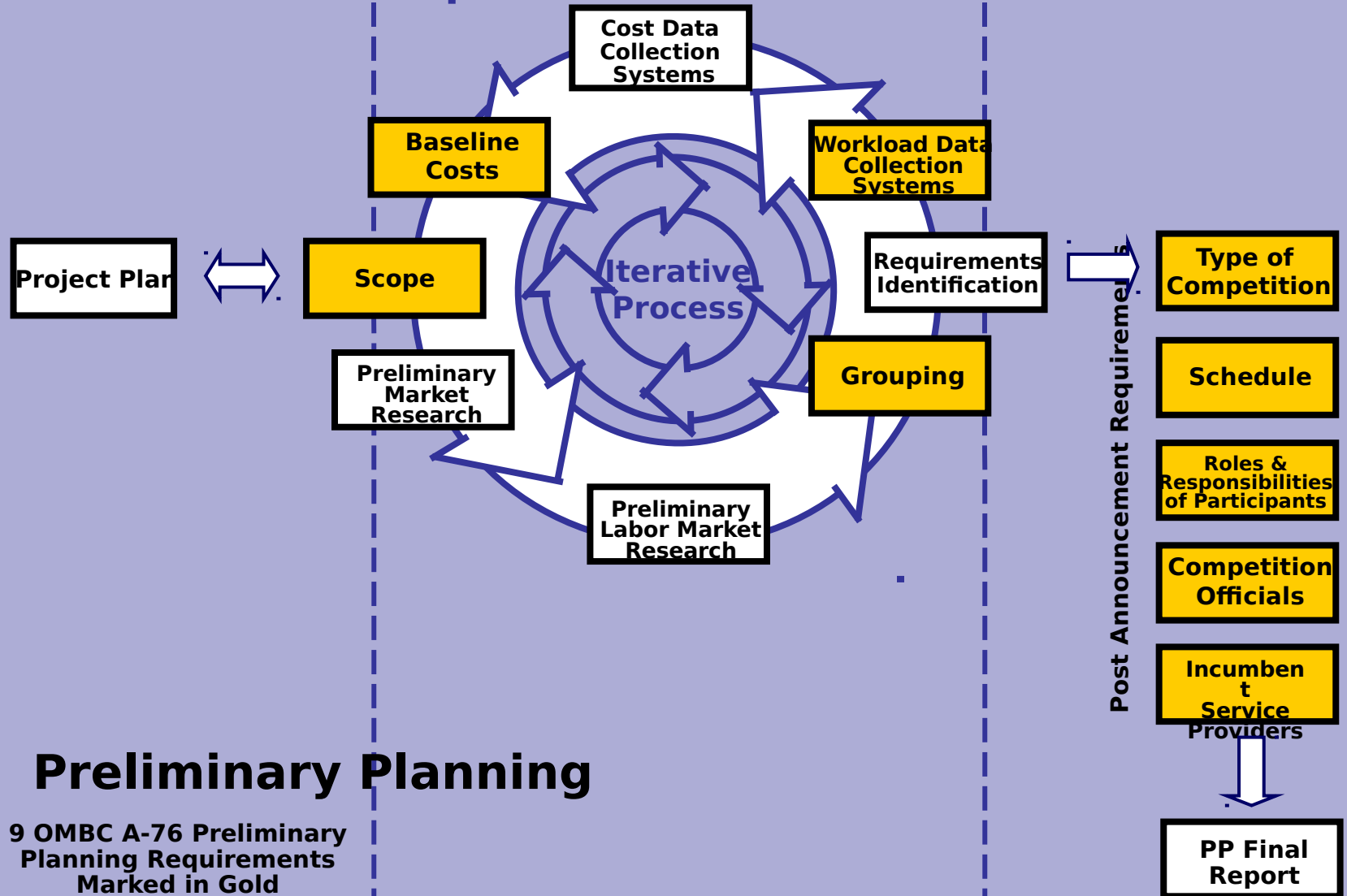


- **The preliminary planning process (model)**
 - Process evolution
 - Model design and function
 - 3 Stages
 - 9 OMBC required steps
 - Additional steps
 - Timeframe
 - *Overview of each stage and associated steps

Management

Execution

Closeout





Introduction to Preliminary Planning



- **Who participates in preliminary planning?**
 - Project Management (PM) team
 - Manpower (Management Analysts)
 - Contracting
 - Civilian Personnel
 - Functional representatives
 - Finance
 - Contractors
 - Who else?



Introduction to Preliminary Planning

- **Preliminary planning is a lot of work...is it worth it? Why?**
 - Lessons learned from Sheppard AFB PP Initiative
 - Project Plan:
 - Obtain leadership buy-in to succeed in tasking of other individuals/offices
 - Requirements Identification:
 - Review all contracts up front to capture all services provided
 - Conduct group interviews so consensus is reached on what services, activities, tasks, etc are accomplished
 - Do your homework—must fully understand the function under review



Introduction to Preliminary Planning

- **So, I ask again: Is Preliminary Planning worth it?**
 - **YES!**
 - **It will:**
 - Enable new OMB timelines to be met
 - Resolve issues and problems that normally arise during competition phase (lessons learned)
 - Be a smart thing to do
 - Fulfill the OMBC mandate



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Scope



Scope



“Determine the activities and full time equivalent (FTE) positions to be competed.”

“Resolve issues pertaining to manpower and supporting contracts further defining the potential competitive sourcing candidate.”



Scope



- **Review all in-house manpower resources and requirements**
 - Unit Manpower Document (UMD) or equivalent
 - Mission statements
 - Position descriptions
 - Operation plans
 - Process descriptions



Scope



- **Research all current service contracts performing or supporting the activity**
 - Existing contracts
 - Host Tenant Support Agreements (HTSA)
 - Inter-Service Support Agreements (ISSA)
 - Memorandum of Agreements (MOA)
- **Validate or perform IGCA inventory**



Scope



- **Establishes more stable baseline**
- **Further modifications possible**
- **Who participates?**
 - Management analyst
 - Functional
 - Contracting
 - Civilian personnel



Scope



- **Example:**

- Initial scope (50 total FTE/CME):
 - 40 FTE's in function A
 - 4 positions coded inherently governmental
 - 9 FTE's in function B
 - 5 CME's (support contract)
- After scoping (39 total FTE/CME):
 - Function B excluded
 - 3 positions coded incorrectly (wrong IGCA application)
 - Support contract being discontinued
- Further refinement possible based on other execution steps



Scope



- **Bottom line:**

- Scoping refines the initial scope resulting in a sound baseline # of FTEs and CMEs
- Scoping determines which service contracts and agreements are included



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Grouping



A-76 Circular



- **Grouping**. Conduct preliminary research to determine the appropriate grouping of activities as business units (e.g., consistent with market and industry structures)
 - Market Research
 - Labor Market Research
 - Requirements Identification



Preliminary Market Research



Market Research



Definition

- **Process used to collect, organize, maintain, analyze, and present data**
- **Purpose is to maximize the capabilities, technology, and competitive forces of the marketplace to meet the needs for supplies/services**



Market Research



Purpose

- **To support effective acquisition planning**
- **To determine whether the needs can be met by items available in the commercial market place**



Market Research What is it?

Market Surveillance

- **Ongoing Familiarity With a Market**

**Trade Shows
Research Reports
Trade Journals
Symposia Proceedings**

Market Investigation

- **Collect, Evaluate & Analyze Specific Information to Agency Needs**
Identify potential sources
Survey potential sources
Analyze Responses

- **Service Available**
Proceed with
Commercial Buy

- **Revise Requirement?**
• **Different Grouping?**

**Market
Research**



Market Research Laws and Regulations

- **Federal Acquisition Regulations (FAR)**
 - FAR Part 7 (Acquisition Planning)
 - FAR Part 10 (Market Research)
 - FAR Part 11 (Describing agency Needs)
 - FAR Part 12 (Acquisition of Commercial Items)



Market Research Small Business



- **Bundling** – Consolidating two or more requirements, previously provided (or was suitable for award to one or more small business concerns) under separate smaller contracts, into a solicitation for a single contract that is likely to be unsuitable for award to a small business concern.



Market Research Small Business

- Bundling may provide substantial benefits to the Government. However, because of the impact on small business participation, market research must indicate that it is necessary and justified measured by substantial benefits.
 - 10% of contract value if value < \$75M
 - 5% of contract value or \$7.5M > \$75M



Market Research Who conducts it?

- Market research team should be established as early as possible
- Team approach and a partnership with functionals and contracting
- Contracting should take lead/assist members
 - Roles and responsibilities
 - How to develop a Statement of Need (SON)
 - How to conduct MR and apply MR techniques



Market Research Develop SON

- Description of an agency's need stated in terms sufficient for conducting MR
- Expressed as general statements of the services' intended uses in terms of functions to be performed, performance requirements, essential characteristics
- The more general, the greater the possibility that the commercial market place can satisfy the agency's needs
- Define the requirement in terms of performance rather than how-to



Market Research Techniques

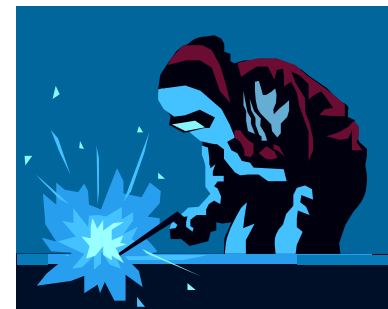
- Identify commercial sources
- Telephone or mail surveys/questionnaires
- Contact knowledgeable individuals
- Present and past acquisitions
- Review recent market research from similar acquisitions



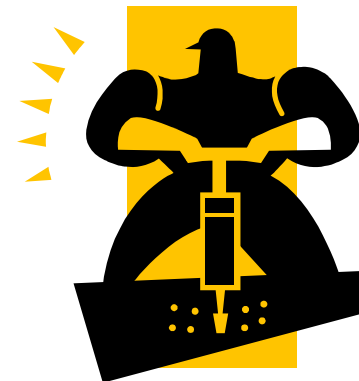
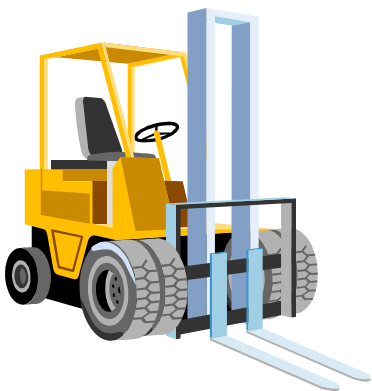
Market Research Documentation



- MR information should be compiled, evaluated, and documented in a manner to facilitate commerciality determination
- Summarize the activities taken by MR team



Preliminary Labor Market Research





Labor Market Research Purposes



- To determine with a level of confidence, whether civilian skills are available in the local labor market
- To determine where employees displaced by the implementation of a competition can be placed.



Labor Market Research

- **When?**
 - After initial project scoping
- **Who?**
 - Servicing personnel office typically takes the lead
- **What?**
 - Identify current work force by MOS/AFSC/rank/series/grade/band/retirement eligibility
 - Review historical data if available
 - Attrition and turnover rates
 - Fill difficulties
 - Local Area employment compatibility check
 - Provide Preliminary Labor Market Research Report



Labor Market Research Factors to Consider



- **Need for multi-skilling**
- **Location**
 - **Deployment?**
- **Specific kinds of experience**
- **Training requirements**
- **Pay issues**
 - **PCS**
 - **Special Salary Rates**





Labor Market Research Guiding Questions



- **Are there skilled unemployed/retired military personnel in the area?**
- **Has there been difficulty in prior recruitment efforts?**
- **Are training facilities available?**
- **Are there private industry/other government facilities that do the same or similar work?**
- **Will there be recruiting costs?**



Labor Market Research Recruitment Strategies

- Lay out qualification requirements ahead of time
- Identify “hard-to-fill” positions early
- Contact State employment agency
- Contact educational institutions / trade schools
- Consider using paid advertising
- Set up recruitment team
- Contact separating/retiring military



Labor Market Research Challenges



- **Potential difficulty in recruiting**
 - Low unemployment
 - Position classification
- **Position structure**
 - Trainee positions
 - New recruiting strategies
- **Timing**





Activity



- **Web Search, Labor Market Research**
- **50 minutes**
- **Resources:**
 - Internet
 - Microsoft Word
 - Websites



Requirements Identification



Requirements Identification

- What does this mean to you? Also referred to as – Service Identification & Outcome Research.
- It is a step-by-step process that identifies the services and performance outputs required to be performed by the function to meet the organizational goals and mission.



Requirements Identification



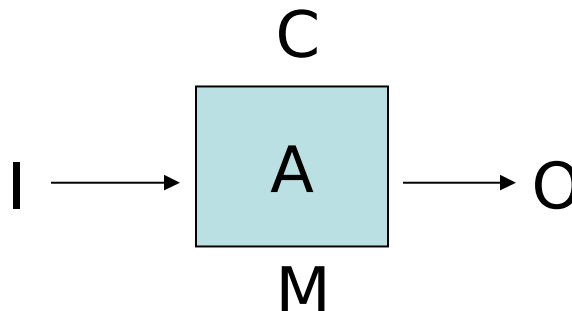
- When will this occur during PP?
- Normally after grouping but may need to be accomplished in conjunction with scoping and grouping when adequate information about the function is not readily available to determine scope.



Requirements Identification



- **How might this be accomplished?**
 1. Become familiar with the functions mission, organizational structure, etc.
 2. Conduct interview with functionals using the ICOM or similar model.

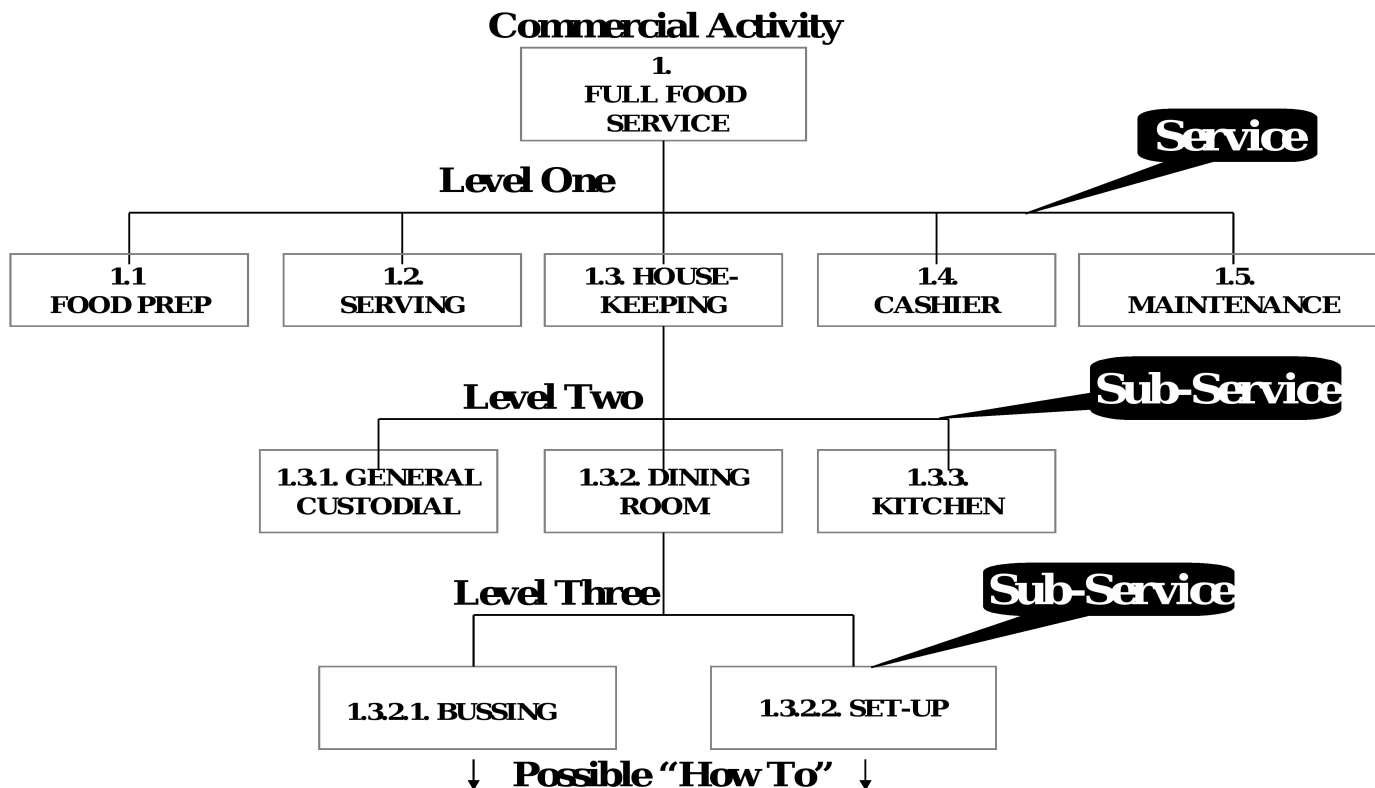




Requirements Identification

3. Construct a tree diagram to aid in capturing all services and

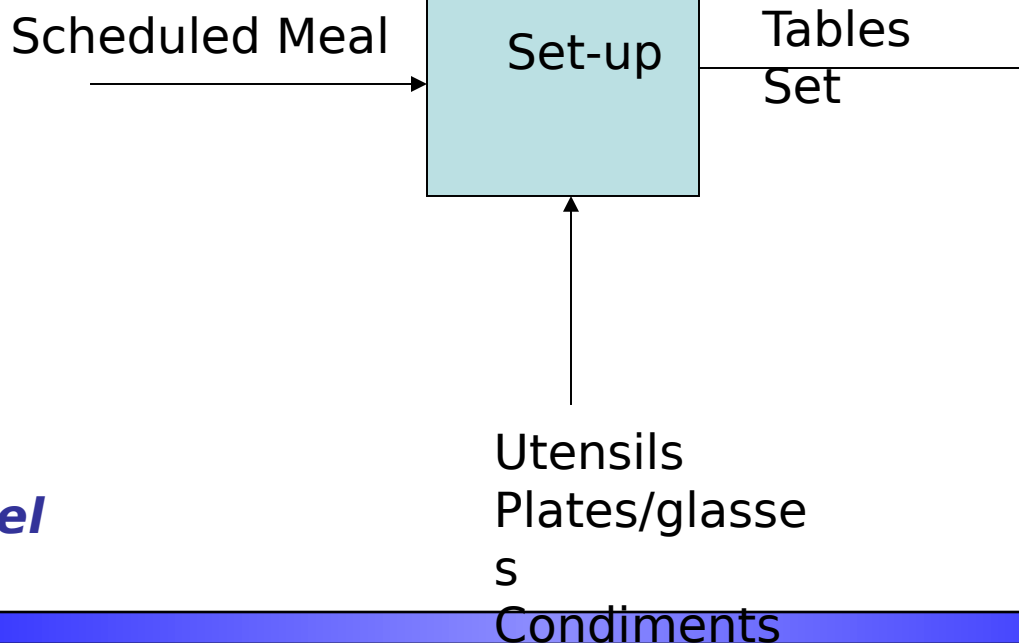
EXAMPLE #1





Requirements Identification

Regulation
123-2
Instruction 211



ICOM Model